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Sequoia Economic Infrastructure Income Fund Limited ("SEQI" or the "Company")

Monthly NAV and portfolio update - September 2024

The NAV per share for SEQI, **the largest LSE listed infrastructure debt fund**, increased to 95.03 pence per share from the prior month's NAV per share of 94.46 pence, representing an increase of 0.57 pence per share. A full attribution of the changes in the NAV per share is as follows:

	<i>pence per share</i>
30 August NAV	94.46
Interest income, net of expenses	0.77
Asset valuations, net of FX movements	-0.29
Subscriptions / share buybacks	0.09
30 September NAV	95.03

No expected material FX gains or losses as portfolio is 100% currency-hedged. However, the Company's NAV may include unrealised short-term FX gains or losses, driven by differences in the valuation methodologies of its FX hedges and the underlying investments - such movements will typically reverse over time.

The Investment Adviser is currently locking in higher interest rates; 62.3% of portfolio is in fixed rate investments as of September 2024, and has positioned 54.8% of the portfolio in Defensive sectors (Renewables, Digitalisation, Utility and Accommodation).

Long-term outlook on inflation and base rates points towards a beneficial tailwind to NAV: Abating inflation expected to provide a foundation for steadier credit markets, as falling rates would typically increase asset valuations.

Market Summary - September 2024

Interest rate announcements and inflation data

- During September 2024, the Bank of England held interest rates at 5.00%, the US Federal Reserve ("the Fed") reduced interest rates by 0.5% from 5.50% to 5.00% and the European Central Bank ("the ECB") reduced its rates by 0.25% from 3.75% to 3.50%
- The most recent data on CPI inflation in the UK shows that it remained at 2.2% in the 12 months to August 2024, unchanged from July 2024. In the US, CPI inflation fell from 2.5% in August 2024 to 2.4% in September 2024. In the ECB, CPI inflation dropped from 2.2% in August 2024 to 1.8% in September 2024.
- As inflation abates, the likelihood of future interest rate cuts increases, which makes alternative investments such as infrastructure more attractive when compared to liquid. The markets have also priced in at least one further rate cut between now and the end of the year across all three regions.
- Once a downwards trend toward a lower interest rate environment unfolds, this will be supportive of fixed rate loans and bonds, as it will accelerate their pull-to-par (the portfolio pull-to-par is 3.4 pence per share as of September 2024). Further, as short-term rates begin to fall, yield curves will become less inverted or turn positive again, supporting a bid for risk in the market.

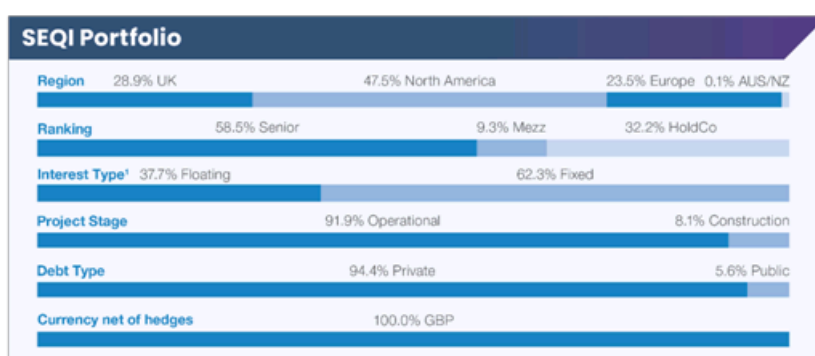
Portfolio update - September 2024

Revolving Credit Facility and cash holdings

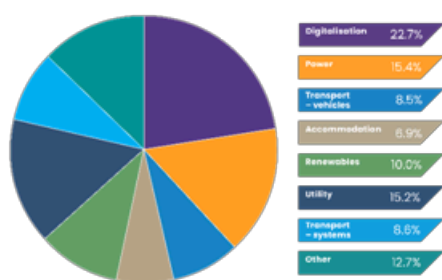
- The Company has drawn £20.0 million on its revolving credit facility (RCF) of £300.0 million and currently has cash of £88.7 million (inclusive of interest income and RCF drawings), and undrawn investment commitments of £54.1 million.
- The RCF is primarily utilised to manage cashflows through the timing of new investments against the repayment of existing investments.

Portfolio Composition

- The Company's invested portfolio consisted of 54 private debt investments and 2 infrastructure bonds, diversified across 8 sectors and 29 sub-sectors.
- 58.5% of the portfolio comprised of senior secured loans.
- It had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 9.94% and a cash yield of 7.40% (excluding deposit accounts).
- The weighted average portfolio life remains short and is approximately 3.5 years. This short duration means that as loans mature, the Company can take advantage of higher yields in the current interest rate environment.
- Private debt investments represented 94.4% of the total portfolio, allowing the Company to capture illiquidity yield premiums.
- The Company's invested portfolio currently consists of 37.7% floating rate investments and remains geographically diversified with 47.5% located across the USA, 28.9% in the UK, 23.5% in Europe, and 0.1% in Australia/New Zealand.
- The portfolio remains highly diversified by sector and size. The average loan represents approximately 1.6% of the total portfolio.
- At month end, approximately 100% of the Company's NAV consisted of either Sterling assets or was hedged into Sterling. The Company has adequate liquidity to cover margin calls, if any, on its hedging book.



Portfolio highly diversified by sector and size



Repayments during September 2024

- A full repayment for 39.1 million from Generation Bridge Northeast LLC, owners of electric power generation facilities totalling more than 5,900 MW of installed capacity located in the USA.

There were no new investments (exceeding £0.5m) during September 2024

Share buybacks

- The Company bought back 7,684,224 of its ordinary shares at an average purchase price of 80.00 pence per share in September 2024.
- The Company first started buying back shares in July 2022 and has bought back 192,022,513 ordinary shares as of 30 September 2024, with the buyback continuing into October 2024. This share repurchase activity by the Company continues to contribute positively to NAV accretion.

Non-performing loans

- Over approximately the last two years, the Company has been the majority owner of Zoa, a software business spun out of Simple Energy (the parent of Bulb Energy) as part of the Company's ongoing efforts to recover the amounts lent to Bulb.
- Zoa has now been sold to ENSEK, a SaaS platform wholly-owned by Centrica. The transaction was structured as a sale of Zoa's assets and liabilities - the overall value of the transaction, taking account of the residual net assets remaining at Zoa (which remains owned by the Company), was in excess of the book value of Zoa, thus delivering a modest uplift in the NAV.
- The Company expects to be able provide investors with an update on further recoveries from Bulb in the coming months.
- There are no other significant changes to the book value of the non-performing loans as of 30 September. We will continue to provide updates to shareholders on a monthly basis.

Top Holdings

15 Largest Investments									
Investment name	Currency	% of NAV	Ranking	Value £m ¹	Sector	Sub-sector	Cash-on-cash yield (%)	Yield to maturity/ worst %	
Infinis Energy	GBP	4.6	Senior	61.7	Renewables	Landfill gas	5.26	5.85	
AP Wireless Junior	EUR	4.5	Mezz	60.7	Digitalisation	Telecom towers	4.36	6.94	
Project Sienna	GBP	4.2	Senior	56.5	Other	Waste-to-Energy	9.72	9.13	
Workdry	GBP	4.2	Senior	56.0	Utility	Utility Services	8.94	8.93	
Hawkeye Solar HoldCo	USD	3.8	HoldCo	51.5	Renewables	Solar & wind	8.51	8.95	
Kenai HoldCo 2024	EUR	3.8	HoldCo	51.2	Power	Base load	0.00	11.32	
Project Tyre	USD	3.6	Senior	48.9	Transport assets	Specialist shipping	10.34	9.96	
Expedient	USD	3.6	Senior	48.5	Digitalisation	Data centers	11.02	11.02	
Roseton	USD	3.5	Senior	46.7	Power	Other Electricity Generation	10.32	10.32	
Project Nimble	EUR	3.2	HoldCo	43.3	Digitalisation	Data centers	8.35	10.19	
Sacramento	USD	3.2	Senior	43.0	Digitalisation	Data centers	7.15	7.66	
Euroports 2030	EUR	3.1	Mezz	42.2	Transport	Port	10.73	10.55	
Scandlines	EUR	3.1	HoldCo	41.6	Transport	Ferries	6.51	6.52	
Project Shark	CHF	3.0	HoldCo	39.8	Digitalisation	Data centers	8.50	8.50	
Gadwall Holdings Limited	GBP	2.9	HoldCo	39.7	Accommodation	Health care	0.00	38.80	

Valuations are independently reviewed each month by PWC.

[Full list of SEQI's Portfolio Holdings and SEQI Monthly Factsheet

http://www.rns-pdf.londonstockexchange.com/rns/13261_1-2024-10-14.pdf

http://www.rns-pdf.londonstockexchange.com/rns/13261_2-2024-10-14.pdf

About Sequoia Economic Infrastructure Income Fund Limited

- SEQI is the UK's largest listed debt investor, investing in economic infrastructure private loans and bonds across a range of industries in stable, low-risk jurisdictions, creating equity-like returns with the protections of debt.
- It seeks to provide investors with regular, sustained, long-term income with opportunity for NAV upside from its well diversified portfolio. Investments are typically non-cyclical, in industries that provide essential public services or in evolving sectors such as energy transition, digitalisation or healthcare.
- Since its launch in 2015, SEQI has provided investors with eight years of quarterly income, consistently meeting its annual dividend per share target, which has grown from 5p in 2015 to 6.875p per share in 2023, cash-covered with an average annual dividend growth of over 4%.
- The fund has a comprehensive ESG programme combining proprietary ESG goals, processes and metrics with alignment to key global initiatives
- SEQI is advised by Sequoia Investment Management Company Limited (SIMCo), a long-standing investment advisory team with extensive infrastructure debt origination, analysis, structuring and execution experience.
- SEQI's monthly updates are available here: Monthly Updates - seqi.fund

Annualised Total Returns ¹				
	6M	1Y	3Y	5Y
NAV TR	10.21%	9.96%	3.96%	4.11%
Share price TR	5.72%	4.41%	-2.68%	-1.42%

1. Inclusive of dividend income

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